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An Address by
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AMERICAN INTELLIGENCE TODAY AND TOMORROW

To use a familiar remark, it is good to be here. The first reason, of course, is personal. The second reason is more important because I think my appointment is an appointment of all of us in the profession to continue to run the profession. It is an expression of the confidence of the President and the Congress, with a few votes missing, in the profession.

But the challenge for the future should preoccupy our minds now. At the end of previous wars in our history, our country, in its wisdom or perhaps error, decided to disband intelligence. We can recall Secretary Stimson's remark in 1929 that "gentlemen do not read each other's mail" as a possible precursor to the very severe problems we had later on. There are those who say today that we are at the end of the cold war. That's a debatable point; but there are those who say it, and there are those who draw from it the conclusion that we ought to disband intelligence again. That is a challenge I think we face.

But I would like to point out another challenge, the cost of intelligence today. On this I have three charts which illustrate the problem better than mere words.

I have left the absolute numbers off of these charts because if we cannot show them to any Congressman or Senator, then we really do not have a right to show them to any one of our people. It is the application of the "need to know" principle.

This first chart is a projection of the CIA budget, and I might add that the projection of the Community budget is not dissimilar. As you can see, thanks to inflation of the cost of our salaries, of technical costs, and of operational expenses, if we continue roughly the same activity with the same number of people for the next four years, we will have to ask Congress for [redacted] more for our budget. I call that an unacceptable option because in the climate of today to ask for [redacted] more would be to ask for a great deal indeed.

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If we change the rule and ask only for the same amount in the future, but keep the same number of people working and apply those same percentages of inflation, we find that in a very few years we have all people and no operation. That is not a very salable product.

The third is a somewhat more chilling chart which keeps us doing what we are doing in terms of technical expenses and operational costs, but absorbs all inflation by personnel reductions. We find that we lose almost 40% of our people within five years. I don't think that is acceptable either to you or the needs of the customers of intelligence today.

These three horror charts represent three unacceptable options. Obviously the answer is no one of the three but some combination. But in the political climate of today, there is no easy answer, and the real test will be the degree to which we in the profession prove the value of intelligence to our nation and to its leaders--prove the value of the expenditures required and of the activities involved.

The first aspect of this proof, and we have had a fairly good exposure to the need for it recently, is that we must run what I call an American intelligence operation. It cannot be the same as the Russian, obviously. It can't be like the German one, or the French one, or even the British one. It has to be an American one. It has to conform with the laws, the standards, and the customs of our country. It has to retain the confidence of the American government and the American people.

The Watergate experience, of course, raised this problem for many people. In this connection, I am delighted to remind you that the performance of General Walters, Mr. Helms, and General Cushman led one of our critics, The Washington Post, to comment that the only "no" came from CIA. That is quite a credit to the performance not only of those gentlemen but also of the profession, because that "no" stemmed from the reaction of some of our lower ranking employees when they thought they were asked to do something on the far edge of propriety. They raised the question up through channels, and their position was endorsed at the senior level. I think the lesson of Watergate is that we must run an American intelligence service and we must run it in the field of foreign intelligence.

When the National Security Act of 1947 was passed, the word intelligence probably referred to foreign intelligence in most people's minds. But over the years the concept of domestic intelligence has become more prominent. Consequently, I think it very important that we in the intelligence profession assert, and stick to, the principle that we are active in the field of foreign intelligence only.

Dr. Schlesinger some weeks ago sent a memorandum to all employees referring to questionable activities. He asked that any such activities known to anyone be reported. These were reported. We collected a list. We have taken action on these. We have terminated a number, and we have given very direct instructions as to how to handle others which might in any way be interpreted as a violation by CIA of its legislative charter.

We are going to clarify in new regulations the principle that we are going to stick to the legislation that is imposed upon us. We are going to operate an American intelligence organization under the statutory authority given us and not beyond it. I have made certain commitments to the Congress in my confirmation hearings on this, and I will be sending to all offices and to the other agencies the transcript of much of that testimony--as much as can be declassified. In it you will find those commitments, and we will arrange that those commitments be turned into very specific direction and regulation for the activities of the Agency.

Another aspect of American intelligence calls for a little more openness than we are accustomed to when we think of the British or the Russians or other intelligence services. My first confirmation hearing was an open hearing. I expect there will be more open hearings in the future. This is what the American people, the Congress, the Government expect.

This is a bit complicated, of course, because we still have a very deep responsibility to protect the sources, the methods, and also in many cases the substance of what we know in the intelligence community, which if exposed would give our potential adversaries great advantages which would be dangerous to the security of the United States. So this is going to be a tricky operation: to be responsive to the need for a more open intelligence operation, but at the same time to protect the integrity, the secrecy that is so necessary.

We have an ally in this regard in George Washington who commented that upon secrecy success in intelligence often depends. I think that we can follow the dictates of the Father of our Country. There are things that we are going to have to keep secret, and we are going to have to be very serious about those, but we are not going to expand secrecy to include areas we really don't have to keep secret. In those respects we are going to have to be more responsive to the demands of our Congress and our people for a more open approach.

In proving the value of intelligence, one of the main tests will be the substance of what we produce. In this, I think we are in a period of some change. We are in a period of change of the political atmosphere in the world and in America. But I think we are also in a bit of a change in the intelligence profession.

If you look back to the last 25 or 30 years, I think you will find two leading models (not exclusive, but leading) for intelligence. The one is the wise academic, personified, perhaps, by Sherman Kent who developed the concept of the National Estimate, drawing together all the information available, thinking about it from a very general point of view, applying wisdom to it, and coming out with a useful assessment. The other model, in the last 25 years, has been the operator: the officer who operated in the Middle East, in Central Europe, in the various parts of Southeast Asia, and in Latin America. These dominated to a great extent the life of intelligence and particularly of the CIA in the past 25 years.

Now it is obvious to me that both of these leading models are changing and that we are developing new leading models for the future.

These are two. The first is the officer (analyst, engineer, or operator) able to use technology. As we are well aware, technology has contributed enormously to the intelligence profession, particularly in the last 15 years. The SALT Agreement with the Soviet Union was the capstone of this process in which the role of intelligence was officially recognized in polite diplomatic society. It was referred to in the treaty by euphemism, which we are used to in the intelligence business, that "national technical means of verification" should not be interfered with. The long dispute over inspection which had prevented agreement with the Soviet Union over strategic weapons was solved, thanks to technology. It is clear that as we look into the future we see the need for increased uses of photography, telemetry, the various kinds of cryptography, and all the other ways in which technology can help not only collection but also analysis, recordkeeping, biographic material, and all the rest. Thus the user of technology is going to be a leading model for the Intelligence Community in the future, I think.

Another leading model, and it always takes me about five minutes to untangle the impression this usually makes when I say it, but I will say it anyway: the other leading model for the future is the journalist, one who ferrets out the information, who doesn't sit at his desk and wait for it to come in the inbox, but goes out and searches for it, and asks questions, and puts out requirements, and goes around and harasses people to try to find the answer. This is the analyst or the operator, seeking the information. He then analyzes and arranges the material to present it in a fashion which doesn't just get if off his desk, but gets it into the mind of the customer at whom it is aimed. I would say that in the future this will also be a model for the intelligence profession.

In a sense we are in competition with other information vehicles. We say that intelligence is deeper than journalism. It should be. The absolute figures on those charts [redacted] than the absolute figures of the budgets of The New York Times and The Washington Post.

Consequently, we should be deeper and we should be better. But we have the same function of ferreting out information. Each of us has the obligation to search for the answer to intelligence questions, to bug enough people so that we finally get the answer and then to arrange it, to analyze it, and to present it in a fashion which carries the message to the consumer that we are serving.

Now these changes in models will in some degree reflect themselves in organizational changes in the Agency. We have had certain changes in our organization. The DD/O has a new name. It also has a new staff structure with some substantial changes. The DD/S&T has a number of new elements in it and new responsibilities. The DD/M&S has a number of new aspects. Some Directorates have lost elements; some have gained them. The DD/I will probably have some changes also. We are currently looking at a way better to conduct deep political research as distinct from the excellent current intelligence that we have produced to date, to try to separate some people from the daily crush of business so that they can study in great depth the sociology and other aspects of the major political problems of the world. This function will be assumed in a new, separate office.

You have seen a certain amount of talk in the press about the Office of National Estimates. We sent out a bulletin about this a few weeks ago in which we said that a firm decision had not been reached but that some changes will be developed. These changes, frankly, are quite far along in my mind. But they are not certain, they are not firm yet because I have a few more bases to touch and some more wisdom to accumulate from some other people about them. What they represent is a turn from the concept of the wise generalists of the past to a focus on specialists, people who have particular specialties in the substantive world. We need, I think, someone in the Agency and in the Community who looks at the problems of China, Latin America, et cetera, from the point of view of the Director, not from the point of view of the collector or of the analyst or of the producer or of the scientist, but one who looks at the problems of a certain geographic area or at certain categories of problems from the total point of view of the Director. This is the line of thought that we are prosecuting to develop staff officers to do this work but not to interfere with the command channels of the Directorates or the other portions of the Community.

There is going to be the kind of change, obviously, over the future that has occurred over the past. Many years ago, before we set up what is now the DD/S&T, the DD/O used to be divided into two pieces. This kind of change is the natural law of life, and I don't think it is a thing to get too upset about because it is but an effort to reflect the demands of today and tomorrow rather than the structures of yesterday.

On the other hand, there are certain things that will not be changed, and they cannot be changed if the intelligence profession is to do its job. This non-change is in the area of integrity, in the objectivity of our assessments, at our hard look at the facts from the point of view of the intelligence officer and not the advocate of particular solutions, not the protector of particular interests--be it an institutional interest or even an intellectual position taken in the past. We must maintain our integrity of looking at new facts, looking at old facts, putting them all together and coming up with the best assesments possible.

The structure of the intelligence community requires that these assessments be the personal action of the Director. We have the United States Intelligence Board as a vehicle for consultation. We have our own structure which can put out lots of reports; but I realize full well, and I welcome the fact, that the product is a very personal responsibility. When one of these documents goes to the President or to the National Security Council, I have to be satisfied that it is the best I can produce with all the help here. I cannot say that somebody else is responsible for it. I am responsible for all of it, and it is my responsibility to give it every bit of integrity and objectivity possible.

I might add, also, that one of the other things that will not change is that we will not be influenced in these assessments by political positions one way or another. These will not be designed to please the reader but to inform him. They will be written from the point of view that we can look back on them and think that they are the best that we could produce at that time.

Now in the operations of the Agency and the Community we have been tinkering with various systems of management to try to bring forward some of these newer ideas. As some of you are aware, we are trying to develop some rather clear and precise objectives, so that each of us, from the Director, Deputy Directors, down to the junior case officer or junior analyst, junior engineer, secretary, can know precisely what he or she is supposed to be working on. These objectives will be an attempt to outline the most important matters facing the Community and our customers in the future.

The intelligence profession has really been very good at thinking of the future, but sometimes it has not been quite so good at looking into the past, particularly its own past. So part of the management system will be a look back and an attempt to evaluate how well we did Job A and Job B and to try to develop ways in which these can be compared and judgments made about whether we did the right thing, whether we did the wrong thing, whether we did too much of something, or whether we did too little of it. This is a very complicated and difficult subject which I'm told by some of the management experts usually takes three to five years to put into effect in any institution. We are just at the beginning of it, so I'll ask you to bear with us and try to make this work. Its

purpose is to communicate--to communicate through the structure the most important things that need to be done so that we just don't "do our own thing" but that we work together as a team and as a group.

I might add that this applies not only to the Agency but also to the Community because the President's letter of November 1971 charged the Director with the responsibility for positive leadership of the Community. It also charged him with the responsibility of submitting to the President his recommendations for what the total budget of the Community should be. Now it might develop that Secretary Schlesinger and I will agree on this, but it might develop that we don't, in which case the President has asked that he be presented with two alternative positions so that he is given the opportunity to make the decision.

Now I take this function very seriously, and I take it with the idea of developing a system which will communicate objectives and evaluations not only here in the Agency but also throughout the Community, so that we can communicate and we can consult with each other, and we can all participate in selecting the important things to be done and deciding how well each of us is doing in that regard.

I do look forward to the relationship with the Community, and I think a word or two here is appropriate. I think there is sometimes a view that we should apply to the Government the benefits of private enterprise through competition between various agencies in the Community. There are various rationalizations that this can be a good thing. It is a good thing in private enterprise, certainly. I'm not sure that the Congress will really agree with very much of it in the intelligence profession, and I have found in some of my previous activities a different way of approaching the business of getting people in different organizations to work together. Rather than compete, we will try to get them to collaborate, to work together--and I mean literally together--in joint groups, joint task forces, joint study groups, et cetera, and not try to have each one come up with the perfect solution independently and then thrust it onto the other Agency. So I'm looking forward to what I think has been called a participatory approach toward our relationship with the Community, working with them.

Now this does not mean, as some of the newspapers have hinted, that we are going to abandon certain CIA activities that are also conducted elsewhere. It does not mean that we will completely push the other agencies out of the picture by doing everything in CIA, either. It means that we will work together because, going back to the Director's personal responsibility, he must be capable of satisfying himself that the product he is sending is the best that can be. And he cannot rest totally on any other authority or agency, but he has to be able to make an independent assessment, or to participate in the total assessement from

his own point of view and through his own people. So I think we are not going to try to draw sharp lines between elements of the Community. We are going to try to knock down the walls between the members of the Community. We are going to try to get people to work together in the Community in assessing the very difficult problems that we have together.

I know a subject that interests you is the subject of personnel. It is a major problem for the Government as a whole, and as you saw from the chart here, it is a major problem for this Agency and for the Community. As you know, we went through a reduction of personnel in the past few months in the Agency. Some of the other agencies have been warned that they face very substantial reductions in the years ahead. Part of the answer to the dilemma posed by those three charts, to be perfectly frank with you, is a continued reduction of the strength of the Community and of this Agency. But I think we can do this in a fashion to minimize the human problems, the human difficulties, involved. I think we can reduce to a great extent through attrition as we have for the past six years in CIA.

In the future we certainly will try to reduce through attrition, but I think we must also develop some systems which will enable us to do a better job of identifying early those people who really would be better off not staying in CIA until it is much too late for them to get good employment elsewhere. We have a system of panels being developed by which the employees themselves will participate in evaluations. We identify people for promotion every year, and I think we are going to have to develop some system for identifying those at the bottom of the list every year. This can give us the tool for some counseling, for some encouragement, to move some of the people out on a regular basis. This need not thus descend as a great crush at any one time, but will be a gradual annual exercise which is accepted and understood and which, most of all, meets the standards of fairness and integrity that we expect of the intelligence profession. We must not have the kinds of problems that developed in certain other agencies because I think we have the capability of reflecting human considerations and avoiding those problems. Nonetheless, there will be this steady reduction as I look ahead; and I think we might as well realize that it is imposed by the figures that you saw on the charts.

Now there is a side issue to this which is a little more positive in tone. This personnel reduction process is the only way in which we can continue any reasonable promotion level over the years. In FY 73, of course, we had a certain number of people leave. Partly as a result, our promotion levels went up appreciably during the year. As you know, they have been very slow in the past few years, but the departure of some people over the past few months enabled us to increase the number of promotions and the percentage of our people in this Agency who received a promotion this past year. It is essential for the health of the

Agency that there be a reasonable chance of promotion for those who work hard and do a good job; we have to set up the structure so that this can continue to be the case as we go ahead.

I am asked sometimes about our role in covert action. Covert action was a pretty dominant characteristic of this Agency over the past years: the war in Laos, the Bay of Pigs, various other activities back to the Mossadegh period. It was a very active part of this Agency's effort. I think a point that would be of some interest to you is that ten years ago this Agency spent about [redacted] of its budget on paramilitary activities. Today it [redacted] This is a reflection of changes in the world situation. This is a reflection of changes in the demands for this kind of activity. It is a reflection of a different political attitude in our country. The Nixon Doctrine obviously contemplates a fairly low posture for this sort of activity.

At the same time, I believe, and I think most of us will agree, that this particular capability is an important weapon to our Government as a whole. It is not a CIA activity. It is something we do when the National Security Council directs that something be done along these lines, and it is the use of covert intelligence techniques that enables us sometimes to do things at very low cost which otherwise would involve very high costs indeed. We are sometimes criticized for our involvement in the war in Laos, but I for one think that this Agency did a magnificent job there. With a very small investment of people and a very great amount of imagination, a major effort was conducted over ten years for the United States Government, and I think no one need regret the effort made.

We undoubtedly are going to hear some discussion in the fall about legislation. The Armed Services Committee of the Senate is going to look at our basic legislation, and we currently are discussing with various people in the Executive Branch and elsewhere the things that might be changed in our legislation. I think we can welcome certain changes. I have already welcomed the addition of the word "foreign" to the definition of our intelligence responsibilities so that it becomes clear that this Agency is limited to the foreign intelligence field.

There may be other changes, which will be the subject of some discussion during the fall, but I think that the expression of confidence in the intelligence profession we had over the course of the summer in my appointment and confirmation in the Senate, and in the public's reaction to the appearances of Mr. Helms, General Walters, General Cushman and Dr. Schlesinger on the Hill indicates that there will be a reasonable revision of our legislation, something that can only help us rather than give us any great problems in the future.

We have had quite an active time here in the past six months between the advent of a new Director in February and the Watergate problems--a very bouncy six months. But I want to contest any possible feeling of "Whew, that's over, and now we can get back to life as usual." We are not going to get back to old styles, we are going to go ahead to new styles. We are going ahead to the new kinds of problems that face us in the decade ahead. We are going to look forward to new ways of gathering intelligence, new ways of analyzing it, new ways of presenting it.

I think that the momentum which has characterized this Agency, and the enormous talent that lies in the intelligence community, can prove the value of American intelligence; can prove that intelligence has a major role to play in helping our nation face the problems of the future, be those the problems of national security in the physical sense, or various other kinds of problems which are equally important to the national security in the fields of economics, terrorism, narcotics, et cetera.

On your way to this meeting you may have noticed a hole in the sidewalk at the corner. Some of you know that this is being dug for a base for a statue of Nathan Hale. Some of you have wondered why we would put a statue of Nathan Hale in front of CIA. Nathan Hale volunteered for an espionage mission at the last minute; he had a very weak cover story; he didn't have much training; he didn't have any secret writing; when he was captured, his reports were in his shoe; worst of all, not only did his mission turn out to be a failure, but the information he was sent for became known within about a day of the time that he departed on his mission, i.e., where on Manhattan Island General Howe was going to land.

But I think Nathan Hale, as we all learned in grade school, means more than a criticism of the intelligence profession. He typifies the virtue of patriotism and articulated it to our nation. He expresses also to us the fact that American intelligence work began in the earliest days of the Republic, as his mission was in mid-September of 1776. But most of all, he represents to us a model of courage, not only physical courage, which he certainly showed, but also a model of moral and intellectual courage, which is going to be demanded of us as we face the problems of the future. We may not, God willing, need to demonstrate physical courage, but in the intelligence profession we will be required to show moral and intellectual courage. The people in this profession have shown this in the past, and I am confident they will continue to show it in the future.

Any questions, please?

Q: Mr. Colby, you have made quite an effort to communicate with junior officers over the past couple years. Do you think you will continue this, and would you care to comment on some of the things you have found?

A: I will continue. I make a practice of having lunch in the cafeteria about once a week with four of our officers, anyone from GS-10 to GS-13/14 level. I promise them I will protect intelligence sources and methods. I try to learn what is worrying them, what they are thinking about, what the problems are. It takes about 15-20 minutes to warm them up, of course, so they will really communicate, but I have found it terribly valuable to me because it is awfully easy to get very isolated up there on the 7th floor and to become almost invisible. In that way I hope I can get a feel of what is going on in various places in the Agency and what is worrying people, so I certainly will continue to do that.

I also have asked Deputy Directors if I can intrude into their staff meetings about once a month because I have discovered that I have daily contact with them, and I have weekly contact with the junior officers, but I have had almost no contact with the office and division chiefs. So in that way I hope to get some personal, human contact with the office and division chiefs because I find that I learn a lot more by listening to people than I do by reading--as some of my executive assistants have learned.

Q: In our overseas activities we have always been very dependent on our relations with the Department of State, but these relations have not always been the best quality at the working level. With Mr. Kissinger moving to the Department, do you see an opportunity for change that will improve this relationship?

A: Well, certainly we have had a very close relationship with Dr. Kissinger over time, and I think that he has a very great respect for the intelligence profession and what it can do. He has used our profession very heavily in his responsibilities, and I think that he will continue to do that. On the subject of working level problems with the Department of State, we gathered together a checklist of things about which I felt we had been wrong in the past and things where they could be more helpful than in the past. We have delivered this document with a suggestion that we sit down and try together to come to a solution to some of these knotty problems. Whether we can solve them all I am not certain, but we are sure going to make a try.

Q: Do you expect that the coexistence of the FR Division and DCS in DD/O will pose any problems in involving us in domestic activities?

A: Good question. We did move the Domestic Collection Division, as it is now called (formerly Domestic Contact Service), into the DD/O. We have had a little press criticism of this move. We made this move in order to try to increase the degree of coordination and mutual support between the activities of open collection in America, which we quite frankly admit, and the collection that we do abroad on the various countries. We want to try to increase the interaction between these. But I think that the real question is not going to be which directorate of CIA any one office is in; I think the real key is going to be what we do. If we conduct ourselves in America in the way in which I had a chance to explain on the record in my confirmation hearing, we will not have much trouble. I explained that we do domestic collection in perfectly proper and open ways, not spying on people but asking them if they will share with their Government what they know. I explained that we also do various other things in America: We collect intelligence on foreigners and from foreigners; we have support structures here in America to support our activities abroad; and we have the whole Headquarters and administrative support activity here in America. I was able to put these facts on the record. I think they are reasonable, and I think if we maintain the distinction that I have outlined of collecting on a voluntary basis from Americans and conducting operations only against foreigners, and restricting our entire effort to the area of foreign intelligence, then we will have no trouble from the Congress. It is really what we are going to do rather than which place in the bureaucratic wiring diagram we put any one unit. I think this is the real key.

It has been a great pleasure to see you. I am looking forward, obviously, to the next period. I will say "period" because I serve at the pleasure of the President and do not have a term, but I hope to serve you in the profession and to serve the President and the Congress and through them the people of the United States, and really prove the value and importance to America of an American intelligence effort.

Thank you very much.